

Message Text

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SUBJECT: FIFTH QUARTER CCP REPORT CCAG MEETING SEPT. 23, 1976

1. SUMMARY: BASIC CAMPAIGN OBJECTIVES ATTAINED EXCEPT WHERE MODIFIED WITH CONSENT OF WASHINGTON COMMERCIAL ACTION GROUP (WCAG) DURING COURSE OF YEAR. AVIATION SEMINAR PARTICULARLY SUCCESSFUL, WITH 5 OF 8 COMPANIES RETURNING TO BRAZIL AFTER SEMINAR TO DEVELOP LEADS. AGRICULTURE AND COMPUTER CAMPAIGNS DROPPED EARLIER IN YEAR. USTS/VISIT USA CAMPAIGN KEPT AT LOW PROFILE, DUE TO SEVERE TRAVEL RESTRICTIONS OF JUNE 1976. MINING EQUIPMENT CAMPAIGN CONCLUDED WITH DEPARTURE OF MINERALS OFFICER. NEW MINERALS OFFICER RESTARTING MINERALS LUNCHEON IN OCTOBER. EMBASSY APPRECIATES WCAG'S HELPFUL DECISIONS IN ADAPTING CCP TO BRAZIL'S RAPIDLY CHANGING CONDITIONS. END SUMMARY.

2. BASIC OBJECTIVES OF 1976 HAVE BEEN ATTAINED CHANGING BRAZILIAN IMPORT CLIMATE AND ECONOMIC CONDITIONS WERE IMPORTANT FACTORS TO BE CONSIDERED IN RESPONDING TO THE FY 1976 CCP'S REQUIREMENTS. DURING THE COURSE OF FY 1976 SEVERE TRAVEL, IMPORT AND CREDIT RESTRICTIONS WERE PLACED ON THE BRAZILIAN ECONOMY. NATURALLY, THESE HAVE AFFECTED SOME SECTORS DISPROPORTIONATELY. THE COMPUTER SECTOR FOR EXAMPLE WAS ESPECIALLY HARD HIT, AND IMPORTS OF COMPUTERS HAVE VIRTUALLY STOPPED. ON THE OTHER HAND, AVIATION ESCAPED THE HARSHTEST MEASURES. THUS, FLEXIBILITY IN APPLYING CCP WAS NECESSARY DURING YEAR. WCAG WAS HELP-

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FUL IN THIS REGARD IN ALLOWING CCP TO BE MOLDED TO FIT

CIRCUMSTANCES.

3. AVIATION TECHNICAL SALES SEMINAR WAS PARTICULARLY EFFECTIVE IN PROMOTING U.S. EXPORTS. SEVERAL FIRMS RETURNED TO RIO AFTER SAO PAULO SEGMENT OF TRIP TO PURSUE LEADS AND SINCE THEN 5 OF 8 FIRMS HAVE RETURNED TO CONTINUE SALES EFFORTS. STRONG MARKET IN U.S. AVIATION PRODUCTS OVER LAST YEAR IS PROVIDING FIRMS WITH EXCELLENT OPPORTUNITIES. FAA REP HAS BEEN PARTICULARLY HELPFUL IN ASSISTING CAMPAIGN MANAGERS OF AVIATION CAMPAIGN TO ACHIEVE OBJECTIVES.

4. VISIT USA CAMPAIGN IS NOW ENGAGED IN LOW PROFILE EFFORTS IN VIEW OF VIGOROUS AND EFFECTIVE GOB MEASURES TO CUT FOREIGN TRAVEL FROM BRAZIL. AIRLINES, TRAVEL AGENCIES AND GOVERNMENT SOURCES REPORT THAT INTERNATIONAL TRAVEL IS DOWN SUBSTANTIALLY. NO UPTURN IN INTERNATIONAL TRAVEL IS EXPECTED BY INDUSTRY SOURCES FOR NEAR FUTURE. POST WILL CONTINUE TO MONITOR EVENTS CLOSELY.

5. METAL WORKING AND METAL FINISHING EQUIPMENT CAMPAIGN ENVISAGED SUPPORT OF INTERNATIONAL MACHINE TOOL SHOW IN CHICAGO THIS QUARTER. POSTS GAVE THIS VIGOROUS SUPPORT IN SPITE OF TRAVEL RESTRICTIONS. RESULTS ARE NOT YET AVAILABLE, HOWEVER TRAVEL AGENTS INDICATE A POOR RESPONSE AS A RESULT OF TRAVEL RESTRICTIONS. ONE TRADE OPPORTUNITY WAS REPORTED IN THIS CAMPAIGN.

6. NEW MINERALS OFFICER HAS NOT HAD TIME TO VISIT MINERALS SITES BUT WILL DO SO SHORTLY. MINERALS LUNCHEON SUCCESSFULLY RESUMED IN OCTOBER. MINERALS OFFICER MAINTAINING CLOSE LIAISON WITH PREDECESSOR (STILL IN COUNTRY) TO ENSURE SMOOTH TRANSFER OF COMMERCIAL ACTIVITIES IN THIS AREA. HVSHAS ALSO PREPARED REPORT ON PETROLEUM DEVELOPMENTS AND AMCONSUL SALVADOR IS PREPARING A REPORT ON PRETROCHEMICAL COMPLEX AT CAMACARI.

7. SEVERE PROBLEMS IN BRAZILIAN STEEL INDUSTRY DURING FIFTH QUARTER CREATED HIATUS IN PROGRESS OF INDUSTRY AND COMMERCIAL EFFORTS CONSEQUENTLY HAD TO BE CAREFULLY DIRECTED TO SUPPORT US EFFORTS. WORLD BANK VISIT AND OTHER DEVELOP-

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MENTS ARE REPORTED IN CLASSIFIED TRAFFIC.

8. ONE TRADE OPPORTUNITY WAS REPORTED FOR THE COMMUNICATIONS EQUIPMENT CAMPAIGN. POLLUTION CONTROL REPRESENTATIONAL EVENT ENVISAGED BY CCP WAS HELD AT TIME OF POLLUTION CONTROL TRADE MISSION IN MAY, 1976.

9. PLACEMENT OF ARTICLES IN TRADE MEDIA AWAITS

RECEIPT OF ARTICLES. CCAG DISCUSSED WAYS OF IMPROVING PERFORMANCE IN THIS AREA AND USIS PROMISED FULL COLLABORATION IN ATTEMPTING TO GET APPROPRIATE TRADE ARTICLES PLACED.

10. TRADE OPPORTUNITIES CONTINUE AS A BRIGHT SPOT IN CCP PERFORMANCE. DESPITE HEAVY IMPORT RESTRICTIONS, WE REPORTED 23 TRADE OPPORTUNITIES IN THE FIFTH QUARTER. TOP SERVICE APPEARS TO HAVE ACQUIRED A SUBSTANTIAL BRAZILIAN MARKET. CURRENTLY, CONGEN RIO IS SUCCESSFULLY INTRODUCING VSMF AS AUXILIARY TO TRAVEL OPPORTUNITY PROGRAM.

11. ACCOUNT OF OTHER TOPICS DISCUSSED BY CCAG FOLLOWS SEPTTEL. JOHNSON

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